IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE SEVENTH DAY OF OCTOBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE N.V. RAMANA

WRIT PETITION NO : 21820 of 1995

Between:

The Kirlampudi Sugar Mills Ltd.,

rep. by its Managing Director Omprakash Choudry,
Pithapuram-533 450, E.G.Dist.

..... PETITIONER

AND

1. Government of Andhra Pradesh,

Rep. by the Secretary, Revenue (Excise) Department,
Secretariat, Hyderabad.
2. Commiccioner of Excise,A.P. Excise and Commercial tax Complex,
II Floor, Nampally, Hyderabad.
3. Director of Distilleries & Breveries, Excise and Commercial tax Complex,
II Floor, Nampally, Hyderabad.
4. Assistant Commissioner of Distilleries,

Near Subbaiah Hotel, Ramaraopet, Kakinada,
East Godavari District.
5. Distillery Officer, Attached to The Kirlampudi Sugar Mills Ltd.,
Pithapuram-533-450, East Godavari District.

...RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue a writ or order or direction declaring the action of the respondents herein in demanding and collecting the penal interest on establishment charges from the petitioner company as illegal, arbitrary, improper and unenforceable and violative of Art. 14 and 19(1) (g) of the Constitution of India.

Counsel for the Petitioner: M/S C.KODANDA RAM

Counsel for the Respondents: GP FOR PROHIBITION & EXCISE

The Court made the following:

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ORDER:

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This writ petition is filed questioning the action of the respondents in levying the penal interest on establishment charges as illegal and arbitrary.

It is submitted by the learned Government Pleader for Prohibition and Excise and admitted by the learned counsel for the petitioner that the subject-matter of the writ petition is squarely covered by the judgment of this Court in W.P. No. 20918 of 1994, dated 3-9-1997. This Court while dismissing the said writ petition, held as follows:

> We have gone through the rules. Rule-3 of the A.P. Excise (Levy of Interest on Government dues) Rules, 1982 provide that the arrears of moneys recoverable under section 65 of the Act shall bear interest at the rate of 18% per annum. Thus, the Government has power to levy interest on arrears to be recovered. Therefore, we do not see any force in the contention of the learned counsel for the petitioner that the Government has no power to levy penal interest and demand the same.

In the circumstances, following the said judgment and for the reasons mentioned therein, this writ petition is liable to be dismissed, and the same is accordingly dismissed. No costs.

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N.V. RAMANA, J

Date: 7-10-2004

Lsk/ksr

ASSISTANT REGISTRAR

To

1. The Secretary,

Revenue (Excise) Department,

Government of Andhra Pradesh,

Secretariat, Hyderabad.
2. The Commiccioner of Excise,

A.P. Excise and Commercial tax Complex,
II Floor, Nampally, Hyderabad.
3. The Director of Distilleries & Breveries,

Excise and Commercial tax Complex,
II Floor, Nampally, Hyderabad.
4. The Assistant Commissioner of Distilleries,

Near Subbaiah Hotel, Ramaraopet, Kakinada,
East Godavari District.
5. The Distillery Officer,

Attached to Kirlampudi Sugar Mills Ltd.,
Pithapuram-533-450, East Godavari District.

6. Two C.Cs. to the Government Pleader for Prohibition and Excise,

High Court Buildings, Hyderabad. (OUT)

7. Two C.D. copies.